
State Renewable Energy News

A Compilation of Renewable Electric Activities in the States

Prepared for the NARUC Renewable and Distributed Resources Subcommittee

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State Activities

California

PUC Suspends Direct Access

On September 20, the PUC voted, by a 3-2 margin, to suspend retail direct access, which was a cornerstone of the state's 1996 electricity restructuring law. The action was in response to legislation enacted earlier this year calling for the PUC to suspend "the right of retail end use customers . . . to acquire service from other providers" until such time as the state has recovered the cost of power purchased to supply consumers during the recent power crisis. At one point, about 2% of California customers had switched to alternative suppliers, many of whom were selling green power.

CEC, CPA Support RE Development

The California Energy Commission (CEC) announced that a third auction for financial incentives to support new renewable energy development yielded 300 megawatts (MW) of winning projects. The program is funded through the state's public benefits fund, which was initially established in the state's restructuring law and supports energy efficiency, renewable energy sources, and research and development of alternative energy supplies. The winning bidders will receive incentive payments of up to 1.5¢ for each kilowatt-hour (kWh) produced over the first five years of project operation. Previous auctions held in June 1998 and November 2000 resulted in awards totaling 1,000 MW of new renewable generating capacity.

The newly created California Power Authority (CPA) also announced that it has entered into negotiations with project developers to purchase approximately 1,320 MW from new renewables development, comprised mainly of wind and biofuel. The CPA's stated goal is to sign contracts to acquire 1,000 MW of renewable energy by the summer of 2002.

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CPA Contact:

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Illinois

Legislature Sets Renewables Goals

Noting that "renewable forms of energy should be promoted as an important element of the energy and environmental policies of the State," the Legislature passed the Illinois Resource Development and Energy Security Act (Public Act 92-0012), a "broad-based \$3.5 billion package designed to reinvigorate the Illinois coal industry and to strengthen the state's ability to provide electricity to its citizens."

While primarily intended to address in-state coal industry needs, the law sets a goal for at least 5% of the state's energy production and use to be derived from renewable energy sources by 2010 and at least 15% by 2020. The law also provides for up to \$500 million in revenue bond authorization to finance projects using renewable energy sources, such as wind and solar power.

Massachusetts

DOER Releases Draft RPS Rules

The Massachusetts Division of Energy Resources (DOER) released draft regulations for implementing the state's renewable energy portfolio standard (RPS). As set forth in the state's electricity restructuring law, suppliers must provide 1% of their electricity from new renewables beginning in 2003, with the level rising by 0.5% each year to 4% in 2009 (**SREN**, Winter 1998). The proposed rules would apply to all electricity providers, including standard offer and default service. Suppliers would also be able to comply with the RPS by paying \$50 per megawatt-hour (MWh) of obligation into the state's renewable energy development fund.

DOER Contact:

Andrea Hattan, (617) 727-4732, x123

Minnesota

Advisory Board Recommends RE Projects

The advisory board to the state's Renewable Development Fund has selected eight renewable energy proposals for funding. The fund, which was established in the 1994 state law that authorized additional spent fuel storage at the Prairie Island nuclear plant, currently amounts to more than \$16 million and will total about \$8.5 million annually by 2003.

The projects selected total more than 12 MW of power from a diverse set of renewable energy resources, including bio-methane, small hydro, and wind energy. Pending PUC approval, monies will also be provided to the State Department of Commerce to fund a rebate program for solar photovoltaic (PV) systems of up to 4 kW in size.

Advisory Board Contact:

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Nevada

PUC Considers RPS Rules

Pursuant to legislation passed earlier in the year, the PUC has initiated a rulemaking to establish a renewable energy portfolio

standard for the state. The law calls for the state's investor-owned utilities to gradually increase the amount of power they buy or generate from renewable sources from a level of 5% of electricity sold in 2003 to 15% in 2013 (**SREN**, Summer 2001). Key legislative intent to be addressed is the determination of "just and reasonable terms and conditions" for the renewable energy contracts that a provider of electric service must enter into to comply with its portfolio standard.

At the same time, pursuant to the RPS requirement, Sierra Pacific Power Company and Nevada Power Company each issued a Request for Proposals to solicit proposals for electricity generated from renewable fuel sources. The total amount of renewables requested is about 167 average megawatts (aMW) of capacity for 2003, rising to about 311 aMW for 2006, of which somewhat less than 10% must be solar-based.

New Jersey

BPU Orders Renewable Energy Programs

In March, the BPU ordered a three-year program totaling more than \$358 million in funding for new energy efficiency and renewable energy programs "that will help customers reduce energy use and lower their bills while developing renewable energy sources." Of this funding, 75% will go to the efficiency programs and 25% will be used to fund renewable energy projects. Funding will be collected through the "societal benefits charge" created by the state's 1999 electricity restructuring law (**SREN**, Winter 1999).

The renewable energy funding will be divided between support for "grid supply" and "customer sited" renewable energy projects. The customer-sited project funding will provide rebates directly to customers or companies who install clean technologies such as fuel cells, solar electric systems, and wind generators in homes and businesses.

New Mexico

PRC Considers Substitute RE Rule

The PRC has begun an inquiry into whether it should issue an interim rule to encourage the development of renewable energy in the state. The PRC had previously established a 5% renewables portfolio standard for all electricity providers to meet, with the RPS obligation tied to the start of electric retail competition (**SREN**, Summer 2000). However, implementation of that rule has been postponed by state legislation that delayed electricity restructuring for five years.

PRC Contact:

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New York

Funding Available for Solar/Wind Projects

The New York State Energy Research & Development Authority (NYSERDA) has funding available to support a variety of renewable energy activities. Current solicitations include proposals for the design and implementation of an initiative for photovoltaic (PV) education, outreach, and demonstration in New York State schools, and proposals to develop programs to market state-based renewable resources to New York consumers.

NYSERDA is also soliciting proposals to explore and develop a regional environmental attribute certificate accounting and trading system (REACTS). The purpose of the system is to facilitate the sale and purchase of environmental attributes associated with energy sold and purchased through the New York Independent System Operator (ISO) and through neighboring systems.

NYSERDA Contact:

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North Carolina

Utilities to Submit Green Pricing Tariffs

Two investor-owned utilities, Carolina Power & Light and Duke Power, have committed to file green pricing tariffs by the end of the year as a result of a regulatory proceeding on the development of green power options in the state. The proceeding began as an

investigation into the creation of a voluntary “green check-off” program through which retail electricity customers could contribute funds to increase renewable energy development. Currently under consideration is the development of a single statewide program that all utilities could offer to their customers.

Rhode Island

State Extends System Benefits Charge

Governor Lincoln Almond signed a bill extending the system benefits charge (SBC) for energy efficiency and renewable energy programs by five years. The SBC, which was established in the state’s 1996 electricity restructuring law, is 2.3 mills/kWh (**SREN**, Fall 1996).

The renewables portion of the fund is administered by a collaborative of state interests and has provided funding for a number of studies and activities focused on the development of landfill gas, wind energy, and PV systems. Recent activities include efforts designed to support the development of sustainable demand for “green power” among large and small customers in the state.

PUC Contact:

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Vermont

Energy Plan Calls for Efficiency, RE

Governor Howard Dean unveiled a long-term energy plan “that blends highly efficient, small-scale power generation, the increased use of renewable energy sources, and stronger conservation efforts” to meet future growth in the state’s electricity demand. The plan also calls on utilities to develop “green pricing” programs for their customers.

To help achieve the plan’s goals, the governor proposes to allocate \$750,000 in oil overcharge funds to subsidize the use of renewable energy technologies.

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Other Activities

New England, Eastern Canada Sign Pact

New England governors and eastern Canadian premiers adopted a Climate Change Action Plan that includes measures to increase energy efficiency in the region, increase the use of renewable energy, and decrease the impact of transportation. It also sets the groundwork for exploring a regional system of trading emissions credits for greenhouse gases. The agreement was adopted at the annual Conference of New England Governors and Eastern Canadian Premiers in August.

The Plan sets a short-term goal of reducing greenhouse gas emissions to 1990 levels by 2010, and sets a mid-term goal of reducing the emissions to at least 10 percent below 1990 levels by 2020.

NEPOOL Selects GIS Contractor

The New England Power Pool has selected the Automated Power Exchange (APX) to administer a new program that will help verify compliance with various environmental regulations in the six-state New England region. The program goal is to develop and operate an Internet-based generation information system (GIS) that will enable power generators, wholesale suppliers, and retail load-serving entities to efficiently track, manage, and report their compliance with state environmental standards that encourage increased renewable energy production and reduced emissions.

Generators will track their fuel types and emissions, and transfer to power retailers electronic certificates that verify fuel types, emissions, and other characteristics. Generators, wholesale suppliers, and retailers will access their account statements and other information on an Internet portal, which will save time in record keeping and preparing compliance reports for the appropriate state agencies.

Environmental regulations for power production set by individual states in New England include: renewable portfolio standards that set minimum renewable purchase levels for retailers; disclosure regulations that require electric retailers to

describe the fuel source and other characteristics of the power that they sell; and cap programs that limit pollutant emissions.

EPA Launches Green Power Partnership

On July 30, the U.S. Environmental Protection Agency (EPA) announced the Green Power Partnership, a new, voluntary program "aimed at boosting the market for power alternatives that reduce the environmental and health risks of conventional electricity generation." Twenty founding partners, including Fortune 500 companies, cities, universities, and other organizations, have committed to purchase a total of more than 280 million kWh of green power over the next year, enough to prevent about 200,000 tons of carbon dioxide emissions.

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NREL Reports on Disclosure Policies

To date, more than 20 states have adopted information disclosure policies that require electricity suppliers to provide information on generation fuel sources and, in some cases, air emissions. The National Renewable Energy Laboratory (NREL) has produced an on-line summary of state information disclosure requirements, which can be accessed on the Green Power Network at: www.eren.doe.gov/greenpower

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Past issues are available at:
<http://www.nrel.gov/analysis/emmaa/projects/sren>

The Acting Subcommittee Chairman is the Honorable Edward Garvey, Commissioner, Minnesota Public Utilities Commission.

Internet Links:

California PUC Order Suspending Direct Access:

http://www.cpuc.ca.gov/WORD_PDF/FINAL_DECISION/9812.PDF

California Energy Commission Renewable Energy Program Web Site:

<http://www.energy.ca.gov/renewables/>

California Power Authority Web Site:

<http://www.cpowerauthority.ca.gov/>

Illinois Public Act 92-0012:

<http://www.legis.state.il.us/publicacts/pubact92/acts/92-0012.html>

Massachusetts Renewable Energy Portfolio Standard Web Page:

<http://www.state.ma.us/doer/rps/index.htm>

Minnesota (Xcel Energy) Renewable Development Fund Web Page:

<http://www.xcelenergy.com/EnergyMarkets/EnergyMarketsRFPmain.asp>

Nevada PUC Renewable Energy Portfolio Standard Docket Web Page:

<http://puc.state.nv.us/electric/01-7029.htm>

New Jersey Clean Energy Fund Web Site:

<http://www.njcleanenergy.com>

New Mexico PRC Notice of Inquiry Into Renewable Energy:

<http://www.nmprc.state.nm.us/NI3619.pdf>

NYSERDA Current Competitive Funding Opportunities Web Page:

<http://www.nyserda.com/rddopp.htm>

Link to North Carolina Green Pricing Proceeding (Docket E-100, Sub 90):

<http://ncuc.commerce.state.nc.us/docketsrch.html>

Vermont Long-Term Energy Plan:

<http://www.state.vt.us/psd/PRGOVENERGYPLAN.PDF>

New England Governors/Eastern Canadian Premiers Climate Change Action Plan:

http://www.scics.gc.ca/pdf/850084011_e.pdf

APX Press Release on NEPOOL Environmental Tracking System:

http://www.apx.com/Pressinfo/Z_000738.htm

NREL Summary of State Environmental Disclosure Policies:

<http://www.eren.doe.gov/greenpower/disclosure.txt.shtml>